

5/013/002

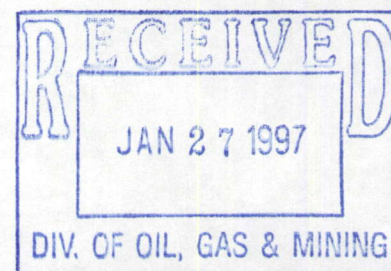
UMCC

UINTAH MOUNTAIN COPPER COMPANY

341 SOUTH MAIN STREET
SUITE 401
SALT LAKE CITY, UTAH 84111
(801) 530-1045

January 22, 1997

State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5081



Attn: Tony Gallegos

Re: **1996 Annual Report: Mine No. S/013/003**

Per your department's request of December 16, 1996, attached is the 1996 Annual Report for Uintah Mountain Copper Company's (UMCC) Sunshine/Hematite Claims Development Project as required by Utah law.

It is our understanding that the US Forest Service (USFS) is the lead agency in overseeing our project and is responsible for providing your department copies of all relevant information. After our conversation last month, it appears that your files do not include the most recent submittals by UMCC to the USFS. Therefore, we are also attaching our 1996 modifications to the Plan Of Operations for a Continuing Operation (dated 1/96) and associated addenda information (Appendix C) for your files. This document details upcoming planned work on the claims and will more thoroughly address mine the activity questions of your annual report request. Although the mine has intermittently operated since 1936, UMCC is presently limiting work to mineral exploration and development activities.

At present, UMCC is approved by the USFS to perform Phase I development work as outlined in the above noted documents. USFS has recently renewed for 1997 access road and construction campsite permits (permits have been issued to UMCC since 1978). Additional development work will occur upon further environmental assessment review by the USFS. It is our understanding that this assessment work is to be performed in the first half of 1997.

Please contact Mike P. Kandarlis, Vice President of UMCC, at the above referenced address and telephone number if you have any questions.

Sincerely,

Peter Kandarlis
Uintah Mountain Copper Company

Attachment

cc: Mike Kandarlis (w/out attachements)